ROADSTAR-ANSEAH INVESTMENTS PTE. LTD.

v.

THIAN HOCK ELECTRIC SDN. BHD.

HIGH COURT MALAYA, KUALA LUMPUR
ZAKARIA YATIM J
[CODE NO. D2-22-282-87]
2 JUNE 1989

TRADEMARKS: *Alleged infringement of trade mark - Passing off - Ex parte order to restrain - Application to set aside ex parte order - Elements of passing off not pleaded - Cause of action of passing off - Whether there was serious question to be tried - Whether plaintiff was registered proprietor of trade mark - Assignment of trade mark not registered - Sections 47(1)(3), 55(6) Trade Marks Act 1976.*

The plaintiff obtained an *ex parte* interlocutory injunction to restrain the defendant, *inter alia,* from passing off or attempting to pass off sound reproduction equipment bearing the plaintiffs' Registered Trade Mark 'Roadstar'. The defendants applied to set aside the *ex parte* injunction and for an order that damages on the plaintiff's undertaking be assessed. The plaintiff had averred that it was the proprietor of the Registered Trade Mark M/73030 "Roadstar" in Class 9 in Malaysia and that the defendant had infringed the plaintiff's rights over its registered trade mark. The plaintiff claimed to be the registered proprietor of the trade mark by virtue of an assignment, which had not been registered in accordance with s. 47(1) of the Trade Marks Act 1976. The defendant contended that plaintiff was not entitled to obtain an interlocutory injunction as passing-off was not pleaded and further the assignment was not registered and was not the proprietor of the trade mark.

Held:

[1] The plaintiff in the present case must plead the elements of passing off i.e., that it was carrying on business in respect of the product in Malaysia and that it has marketed its good in Malaysia, and has acquired reputation and goodwill, and that the act of the defendant would injure the business and goodwill of the plaintiff in Malaysia.

[2] Since the plaintiff failed to plead the elements of passing-off in the statement of claim or in the affidavit in support of the *ex parte* order, the plaintiff has no cause of action for passing-off and there is therefore no serious question to be tried.

[3] In the present case the plaintiff brought the action as a registered proprietor although s. 47(1) of the Trade Marks Act had not been complied with. Hence, under s. 55(b) of the Act the plaintiff had no rights under the said trade mark and the Court is bound by the statutory provisions in the Trade Marks Act 1976.

[Ex parte injunction set aside. Plaintiff to pay to defendant damages to be assessed. Costs of application to be taxed and paid by plaintiff to defendant.]

Cases referred to:

Erven Warnick B.V. & Anor v. J. Townend & Sons (Hull) & Anor. [1980] RPC 31
American Cynamid Co. v. Ethicon Ltd. [1975] 1 All ER 504
Siskina v. Distos Compania Naviera SA [1979] AC 210
Ihlee v. Henshaw [1886] 31 Ch 323

Legislation referred to:
Patents Designs and Trade Marks Act 1883 [UK], ss. 70, 77
Trade Marks Act 1976, ss. 47(1), (3), 55(b)

For the plaintiff - Ainuddin bin Mohamed Noordin; M/s. Skrine & Company
For the defendant - Nagarajah; M/s. Shook Lin & Bok

JUDGMENT

Zakaria Yatim J:

This is an application by the defendant to set aside an *ex-parte* order granted by the Court on 24 September 1987. The defendant also applies for an order that damages on the plaintiff's undertaking be assessed by the Senior Assistant Registrar and that the costs of and incidental to this application be taxed and paid by the plaintiff to the defendant.

The *ex-parte* order was granted in the following terms:

(1) the defendant be restrained whether by itself, its directors, officers servant or agents or any of them or otherwise howsoever be restrained until further order from doing the following acts or any of them that is to say:

(a) importing, ordering, purchasing offering for sale, selling, supplying, distributing, disposing of or parting with the possession otherwise than to the plaintiff or its solicitors or its authorised agents or otherwise dealing in and/or enabling or assisting others to do likewise any sound-recording or sound-reproduction apparatus and parts and fittings thereof included in Class 9 and all adapted for use in road vehicles and such apparatus bearing the Trade Mark "ROADSTAR" but not being the manufacture of the plaintiff or its licensees.

(b) passing off or attempting to pass off or assisting others to pass off sound-reproduction apparatus and parts and fittings thereof included in Class 9 all adapted for use in road vehicles bearing the plaintiff's Registered Trade Mark "ROADSTAR" not being of the plaintiff's manufacture nor of its licencees by the use of or in connection therewith in the course of trade whether jointly or independently of the following matter:

(i) The mark "ROADSTAR" or any colourable limitation of the plaintiff's registered Trade Mark "ROADSTAR";

(2) An enquiry as to damages or alternatively at the plaintiff's option an account of profits in respect of the defendant's wrongful acts be taken and payment by the defendant to the plaintiff of all sums found upon taking such enquiry or account.

(3) a discovery be made relating to the foregoing particularly invoices, contracts, customers records, sales records, delivery orders and other documents relating to the defendant's sales and offer for sale of and otherwise connected with sound-recording and sound-reproduction apparatus and parts and fittings thereof included in Class 9 all adapted for use in road vehicles and bearing the mark "ROADSTAR".

The plaintiff is a private limited company incorporated under the laws of the Republic of Singapore and having its registered address at 65, Sims Avenue, Singapore 1438. The defendant is a private limited company incorporated under the laws of Malaysia and having its registered office at No. 1, Jalan Pulasan, Klang, Selangor and having its principal place of business at 25-31, Jalan Cungak, Port Klang.

In the statement of claim the plaintiff avers that it is the proprietor of the Registered Trade Mark M/73030 "ROADSTAR" in Class 9 in Malaysia in respect of sound recording and sound reproduction apparatus and parts and fittings thereof included in Class 9 all adapted. The plaintiff also avers that the defendant had imported sound reproduction apparatus bearing the plaintiff's registered trade mark, ROADSTAR (such apparatus not of the plaintiff's or its licencees's manufacture) for sale and distribution within Malaysia. The plaintiff alleges that the defendant has infringed the plaintiff's rights over its registered trade mark and as such an offence has been committed under the Trade Marks Act 1976. In para. 8 of the statement of claim, the plaintiff appears to rely on passing-off. I shall deal with the question of passing-off shortly. In para. 10 of the statement of claim the plaintiff refers to the defendant's acts as of "infringement and passing-off".

In the affidavit in support of the *ex-parte* application the plaintiff also relies on infringement and passing-off.

At the hearing of the application, Mr. Nagarajah, Counsel for the defendant submitted that the plaintiff has not pleaded the elements of passing-off. According to him the plaintiff had not pleaded it was carrying on business in Malaysia and that its goods had gained reputation in Malaysia. He added that since the elements of passing-off has not been pleaded in the statement of claim, the plaintiff has not pleaded any cause of action on passing-off.

Encik Ainuddin, in his submission did not seem to reply to the point raised by Mr. Nagarajah.

I shall first examine the question of passing-off. In *Erven Warnick B.V. & Anor. v. J. Townend & Sons (Hull) Ltd. and Anor*. [1980] RPC 31 Lord Diplock (at p. 93) mentioned five characteristics which must be present in order to create a valid cause of action for passing-off. The five characteristics are:

> (1) a misrepresentation, (2) made by a trader in the course of trade, (3) to prospective customers of his or ultimate consumers of goods or services supplied by him, (4) which is calculated to injure business or goodwill of another trader (in the sense that this is a reasonably foreseeable consequence) and (5) which causes actual damage to a business or goodwill of the trader by whom the action is brought or (in a *quia timet* action) will probably do so.

Lord Frazer of Tullybelton in his speech in the same case stated at pp. 105 and 106:

> It is essential for the plaintiff in a passing-off action to show at least the following facts:
>
> (1) That his business consists of, or includes, selling in England a class of goods to which the particular trade name applies;
>
> (2) That the class of goods is clearly defined, and that in the minds of the public, or a section of the public, in England, the trade name distinguishes that class from other similar goods;
>
> (3) That because of the reputation of the goods, there is goodwill attached to the name;
>
> (4) That he, the plaintiff, as a member of the class of those who sell the goods is the owner of goodwill in England which is of substantial value;
>
> (5) That he has suffered, or is *really likely* to suffer, substantial damage to his property in the goodwill by reason of the defendants selling goods which are falsely described by the trade name to which the goodwill is attached.

In that case the first plaintiff was a manufacturer of an alcoholic drink known in England and Holland as "Advocoat". The second plaintiffs were the distributors in England. The plaintiffs' product had been marketed in England for over half a century and had acquired a substantial reputation and goodwill.

It is explicit from the speech of Lord Diplock quoted above that he was referring to the characteristics of passing-off in England.

In view of the two passages quoted from the speeches of Lord Diplock and Lord Frazer; the plaintiff in the present case must plead that it has marketed its goods in Malaysia and that it has acquired reputation and goodwill and the act of the defendant would injure the business and goodwill of the plaintiff in Malaysia.

Mr. Nagarajah has rightly pointed out that the plaintiff has not pleaded in the statement of claim that it was carrying on business in respect of the product in Malaysia and that its product had acquired substantial reputation and goodwill in this country. Paragraph 8 of the statement of claim merely states as follows:

> Such acts by the defendant are further calculated to deceive members of the trade and public into the belief that such sound-reproduction apparatus bearing the plaintiff's Registered Trade Mark "ROADSTAR" but not being of the plaintiff's or its licensee's manufacture are in fact manufactured by the plaintiff or its licensee and is further calculated to injure and must have in the past injured the plaintiff's goodwill, reputation and business."

Similarly the plaintiff's affidavit in support of the *ex-parte* summons in chambers does not contain these essential elements.

Since the plaintiff has failed to plead the essential elements of passing-off in the statement of claim or in the affidavit in support of the *ex-parte* application, the plaintiff has no cause of action on passing-off and there is therefore no serious question to be tried. The Court must be satisfied that the plaintiff's claim is not frivolous or vexatious; in other words that there is a serious question to be tried. See *American Cynamid Co. v. Ethicon Ltd.* [1975] 1 All ER 504 at p. 510. In the circumstances, the plaintiff is not entitled to obtain the injunction on the ground of passing-off. A right to obtain an interlocutory injunction is dependent upon there being a pre-existing cause of action against the defendant. See *Siskina v. Distos Compania Naviera SA* [1979] AC 210 at p. 256.

I shall next examine whether there is a serious question to be tried on the question of alleged infringement of the plaintiff's registered trade mark.

As already stated, the plaintiff avers in the statement of claim that it is the proprietor of the Registered Trade Mark M/73030 "ROADSTAR" in Class 9 in Malaysia. In the affidavit in support of the *ex-parte* application the plaintiff avers in para. 3 that it is the registered proprietor of the said trade mark by virtue of an assignment made on 18 December 1986 between one Anthony Seah Siak How and the plaintiff. In para. 4 of the affidavit the plaintiff avers that as of 16 August 1982 Anthony Seah Siak How had been registered as the proprietor of the said trade mark. The said register was renewed for a further period of fourteen years from 4 October 1983.

The defendant in para. 3 of its affidavit affirmed on 16 November 1987 avers that the plaintiff has no interest whatsoever in the said registered trade mark. According to the defendant the assignment referred to in para. 3 of the plaintiff's affidavit had not been registered in accordance with s. 47(1) of the Trade Marks Act 1976. Anthony Seah Siak How in his affidavit

affirmed on 22 December 1987 admits that the assignment was not entered on the Register of Trade Marks in Malaysia. He states that the assignment was filed in the Registry of Trade Marks, Malaysia on 19 March 1987. But, he adds that due to a clerical error the filing fee was underpaid and the relevant documents not stamped in Malaysia. Hence the assignment was not entered in Registry of Trade Marks Malaysia. According to him the errors had been rectified and he referred to a document issued by the Trade Mark Registry dated 19 December 1987 which is exhibited to the affidavit. I have examined the document and at p. 2 of the document the Trade Mark Registry stated that "on 19 March 1987 an application for assignment in favour of Roadstar - Anseah Investment Pte. Ltd., was lodged and such application is still pending."

In view of the statement made by the Trade Marks Registry in the said document it is clear that the assignment has not been registered. Since the application is still pending the plaintiff has not been registered as the proprietor of the said trade mark. See s. 47(1) and (3) of the Trade Marks Act.

See also s. 55(b) of the Act, where it clearly states:

> All rights subsisting in a trade mark whether under this Act or otherwise shall be deemed to be assigned or transmitted upon registration of the assignment or transmission of the trade mark.

From the documents exhibited to the affidavits it is clear that the registered proprietor of the said trade mark is Anthony Seah Siak How and not the plaintiff. The certificate issued by the Registrar of Trade Marks dated 18 August 1982 states that Anthony Seah Siak How is the proprietor of the said trade mark. The certificate reads:

> Negeri-Negeri Tanah Melayu
> Pejabat Pendaftaran Cap Dagangan
>
> Kuala Lumpur 18 Ogos 1982
>
> Kepada Seah Siak How (Anthony)
> Tuan,
> Adalah dimaklumkan bahawa, menurut permohonan tuan yang diterima di pejabat ini pada 14 April 1982, nama tuan telah dimasukkan dalam Daftar sebagai Tuan punya Cap Dagangan No. M/73030.
>
> Saya yang menurut perintah,
> Sgd/-
> Pendaftar.

The Registration of the said trade mark was renewed for a period of fourteen years from 4 October 1983. The certificate of renewal is reproduced below:

> Trade Marks Registry
> Malaysia 22 March 1984.
>
> I have to inform you that the Registration of your Trade Mark No. 4/76 in Class 9 has been renewed for a period of 14 years from 4 October 1983.
>
> No. fail lama M/73030.
>
> I am, Gentlemen,
> Your obedient servant,
>
> Sgd/- Registrar.

Since the plaintiff is not the registered proprietor of the said trade mark, the question that arises here is whether the plaintiff is entitled to obtain the interlocutory injunction.

Encik Ainuddin submitted that although the assignment was not registered, the plaintiff could still bring the present action. In support of his submission he cited an old English case, *Ihlee v. Henshaw* [1886] 31 Ch 323. In that case the Court held that as the trade mark was on the Register, the plaintiff who was an assignee could bring an action against the defendant although the assignment was not registered before the commencement of that action.

It should be noted that *Ihlee v. Henshaw* was decided under an old English Act, the Patents, Designs and Trade Marks Act 1883. Section 70 of the Act provided that a registered trade mark could be assigned and transmitted only in connection with the goodwill of the business. The section did not say that the assignment must be registered. Section 77 provided that a person could institute a proceeding for infringement of trade mark if the trade mark was properly registered under the act. The section made no reference to an assignee of a trade mark. North J in his judgment in that case said, "I do not think that there is anything in the terms of the act making any such registration of an assignment a condition precedent on the part of the assignee to suing." The learned Judge then concluded, "I do not think I can import those other sections into the 77th section in such a way as to say that no assignee shall be entitled to sue in respect of the infringement of trade mark duly assigned to him unless not only the trade mark, but the assignment of it also, has been registered before action brought."

Under the English Act of 1883 an assignment was not required to be registered, but under our act assignment must be registered. I should add here that although assignment was not required to be registered under the English Act, in *Ihlee v. Henshaw* an assignment was in fact registered in favour of the plaintiff on 1 July 1884 a few days after the plaintiff had commenced action against the defendants. In the present case the assignment was not registered at all although the application for registration was still pending. *Ihlee v. Henshaw* therefore can be distinguished from the present case.

In the present case the plaintiff brought the action as a registered proprietor although s. 47(1) of the Trade Marks Act has not be complied with. In my view this Court is bound by the statutory provisions in our Trade Marks Act.

For the reasons stated above, I set aside the *ex-parte* order granted on 24 September 1987. I order that damages on the plaintiff's undertaking be assessed and paid by the plaintiff to the defendant. I also order that the costs of and incidental to this application be taxed and paid by the plaintiff to the defendant.

Also found at [1990] 1 CLJ 1219